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135C-72

4 May 1972

MEMORANDUM FOR THE RECORD

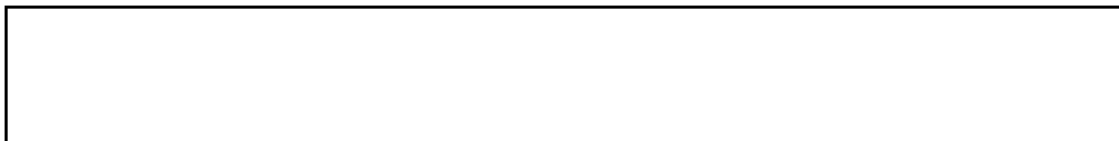
SUBJECT: OER Support to US Delegation for Negotiating
Soviet Purchase of US Agricultural
Products

1. Negotiations for a long-term agreement on Soviet purchases of US feed grains and soybeans were held in Moscow between 10 and 14 April. Clarence Palmby, Assistant Secretary of Agriculture for International Affairs and Commodity Programs, headed the negotiating team. Secretary Butz, in accepting a long-standing invitation from the Soviet Minister of Agriculture, timed his visit with that of the US negotiating delegation.

2. The following provides a chronological account of OER's role in providing support to Secretary Butz, Assistant Secretary Palmby, and the 8 other members of the US delegation.

3. On 23 March, the Department of State informed Soviet Ambassador Dobrynin that Secretary Butz's party proposed to arrive in Moscow on 8 April and initiate trade talks on 10 April. Upon receipt, the following day, of a copy of the Department of State's outgoing telegram informing Embassy Moscow, I called a member of the US delegation -- Horace Davis, Assistant Administrator of the Foreign Agricultural Service -- and offered to provide intelligence support. After conferring with other members of the delegation, Mr. Davis requested the following:

(a) Copies of OER reports discussing recent developments in Soviet foreign trade, hard currency indebtedness, and agriculture.



(c) Maps of the Soviet Union and the city of Moscow.

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(d) Briefings for Secretary Butz and the delegation on current developments in the Soviet economy, Soviet credit-worthiness, and the Soviet capability for transporting by sea large quantities of US agricultural products.

4. On 28 and 29 March, we transmitted copies of the following reports to each member of the US delegation and to other selected USDA officials involved in the preparation of US position papers:

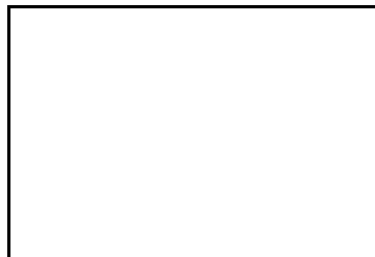


5. On 3 April, an OER team briefed Secretary Butz and Assistant Secretary Palmby on the following topics:

Soviet Economy

Soviet Foreign Trade
and Credit-
Worthiness

Soviet Shipping



On the following day, the other members of the delegation and interested USDA officials received the same briefing with [redacted] in fielding questions concerning Soviet shipping. In addition, [redacted] participated in the second briefing.

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UNCLASSIFIED	CONFIDENTIAL SECRET		
OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	DDI	5 May 72	ELP
2	ADDI	5 May 72	✓
3			
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5			
6			
<i>File</i> <i>Dept of Agriculture (if we have one)</i> <i>otherwise OER</i>			
ACTION		DIRECT REPLY	PREPARE REPLY
APPROVAL		DISPATCH	RECOMMENDATION
COMMENT		FILE	RETURN
CONCURRENCE		INFORMATION	SIGNATURE
Remarks: <p>For your, and if you wish, the Director's information. </p> <p>did a bang-up job of providing support for Butz. Our star at USDA has never been so high.</p> <p style="text-align: right;">Maurice C. Ernst</p> <p style="text-align: center;"><i>Butz sent a thank you note to the DCI last week.</i></p>			
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